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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

DR MANAGEMENT, LLC, et al.,

Plaintiffs,

vs.

UNITED STATES OF AMERICA, et al.,

Defendants.

Case No. 05-01010 MMC

**SEVENTH STIPULATION TO
 CONTINUE TRIAL DATE AND
 SUMMARY JUDGMENT MOTION
 HEARING DATE; ~~PROPOSED~~ ORDER**

1 This stipulation between the plaintiffs (DR Management, LLC; DR Acquisitions, LLC;
2 DR Holdings, LLC; Jennifer Lin; Frederick Lin; and Kevin Lin) and the defendant (the United States
3 of America) is based on the following facts:

4 **RECITALS**

5 1. On February 7, 2008, the plaintiffs and the defendant filed a stipulation
6 (Document 145) (i) notifying this Court that the parties had reached a tentative settlement and (ii)
7 requesting that this Court continue the trial date and summary judgment hearing no less than four
8 months so as to provide the defendant with sufficient time to secure the necessary approvals from the
9 Department of Justice and the Internal Revenue Service and prepare the settlement papers.

10 2. On February 8, 2008, this Court issued an order (Document 146) approving in
11 part the stipulation to continue the trial date and summary judgment hearing date, and set the
12 following revised calendar in this action:

- 13 • Summary Judgment Motion Hearing: June 20, 2008
- 14 • Pretrial Filings, including Motions in Limine: July 1, 2008
- 15 • Opposition to Motions in Limine: July 8, 2008
- 16 • Pretrial Conference: July 15, 2008
- 17 • Trial Date: August 25, 2008

18 3. On February 20, 2008, the plaintiffs and the defendant filed a stipulation
19 (Document 147) notifying this Court of a conflict that the plaintiffs' lead lawyer, Robert D. Infelise,
20 had with the schedule adopted by this Court. On February 21, 2008, this Court issued an Order
21 (Document 148) approving the stipulation and set the following revised calendar in this action:

- 22 • Summary Judgment Motion Hearing: July 18, 2008
- 23 • Pretrial Filings, including Motions in Limine: August 5, 2008
- 24 • Opposition to Motions in Limine: August 12, 2008
- 25 • Pretrial Conference: August 19, 2008
- 26 • Trial Date: September 29, 2008

1 4. On July 2, 2008, the plaintiffs and the defendant filed a stipulation (Document
2 149) notifying this Court that the parties needed more time to finalize the settlement and requested an
3 approximately one month extension in the dates adopted by the Court pursuant to its February 21,
4 2008 Order (Document 148). On July 3, 2008, this Court issued an Order (Document 150) approving
5 the parties stipulation for an extension and setting forth the following schedule:

- 6 • Summary Judgment Motion Hearing: August 29, 2008
- 7 • Pretrial Filings and Motions in Limine: September 19, 2008
- 8 • Opposition to Motions in Limine: September 26, 2008
- 9 • Pretrial Conference: October 7, 2008
- 10 • Trial Date: October 20, 2008

11
12 5. On August 20, 2008, the plaintiffs and the defendant filed a stipulation
13 (Document 151) again notifying this Court that the parties needed more time to finalize the settlement.
14 On August 21, 2008, this Court issued an Order (Document 152) approving the parties stipulation for
15 an extension and setting forth the following schedule:

- 16 • Summary Judgment Motion Hearing: January 23, 2009
- 17 • Pretrial Filings and Motions in Limine: February 10, 2009
- 18 • Opposition to Motions in Limine: February 17, 2009
- 19 • Pretrial Conference: March 3, 2009
- 20 • Trial Date: March 23, 2009

21 6. On December 19, 2008, the plaintiffs and the defendant filed a stipulation
22 (Document 153) again notifying this Court that the parties needed more time to finalize the settlement.
23 On December 22, 2008, this Court issued an Order (Document 154) approving the parties stipulation
24 for an extension and setting forth the following schedule:

- 25 • Summary Judgment Motion Hearing: April 23, 2009
- 26 • Pretrial Filings and Motions in Limine: May 11, 2009
- 27 • Opposition to Motions in Limine: May 18, 2009

1 • Pretrial Conference: June 3, 2009

2 • Trial Date: June 25, 2009

3 7. On April 8, 2009, the plaintiffs and defendant filed a stipulation (Document
4 155) again notifying this Court that the parties needed more time to finalize the settlement. On April
5 9, 2009, this Court issued an Order (Document 156) approving the parties stipulation for an extension
6 and setting forth the following schedule:

7 • Summary Judgment Motion Hearing: August 21, 2009

8 • Pretrial Filings and Motions in Limine: September 11, 2009

9 • Opposition to Motions in Limine: September 18, 2009

10 • Pretrial Conference: October 6, 2009

11 • Trial Date: October 26, 2009

12 8. The parties continue to diligently work toward finalizing the terms of plaintiffs'
13 offer and the government's approval for the tentative settlement. The plaintiffs have been working
14 closely with the Internal Revenue Service and the Department of Justice in responding to requests for
15 additional documents related to the tentative settlement and computation of the amount of taxes owed.
16 Since the Sixth Stipulation, the Internal Revenue Service and plaintiffs have finished reviewing and
17 analyzing the tax information provided by plaintiffs for multiple tax years and have finalized a
18 computation of the amount of taxes owed.

19 9. As noted in the Sixth Stipulation, the United States of America is diligently
20 working to obtain approvals from the various officials who must approve the settlement. As this
21 Court is aware, any settlement must be reviewed by several officials within the Department of Justice,
22 culminating with final review and approval by the Associate Attorney General of the United States.
23 To date, the settlement has been reviewed and recommended by the Western Region of the Civil Trial
24 Section of the Tax Division, and reviewed and approved by the Tax Division's Office of Review. If
25 the Tax Division's Acting Deputy Assistant Attorney General for this matter also approves the
26 settlement, it would then be forwarded to the ultimate decision maker (Associate Attorney General)
27 for his consideration.

28 10. The Parties recognize that they have asked for and received from this Court

several extensions. The parties appreciate the Court's patience as the parties work to finalize the settlement. The process has taken as much time as it has because of the number of tax years involved, the volume of documents requiring review and the complexity of the issues. The parties are working as quickly as possible to finalize the settlement and respectfully ask for another extension, this time of only five weeks.

TERMS

Based on these facts, the plaintiffs and the defendant agree to the following schedule:

- Summary Judgment Hearing – September 25, 2009
- Pretrial Filings and Motions in Limine – October 16, 2009
- Opposition to Motion in Limine – October 23, 2009
- Pretrial Conference – November 9, 2009
- Trial – November 30, 2009

August 17, 2009

Cox, Castle & Nicholson LLP

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August 17, 2009

United States Attorney
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 Robert J. Higgins, Esq.
 Bart D. Jeffress, Esq.

By: Robert J. Higgins
 Robert J. Higgins
 Attorneys for the defendant
 United States of America

ORDER

Pursuant to the stipulation of counsel, it is so ordered, with the exception that the Pretrial Conference is continued to November 10, 2009.

Date: August 18, 2009


The Honorable Maxine M. Chesney